

# Committee on Ways and Means

## H.R. 1619, Capital Loss Legislation

### **Current Law Limits Have Not Changed Since 1978.**

- Currently, taxpayers are allowed to deduct \$3,000 of their capital losses from their income (\$1,500 for married persons filing separately). This amount has not been increased since 1978.

### **Bill Indexes Outdated Provision for Inflation.**

- This bill effectively indexes for inflation the 1978 numbers to 2002 numbers. The capital loss limits are increased from \$3,000 to \$8,250 (\$1,500 to \$4,125 for married persons filing separately). The bill also increases the limits for inflation for all years after 2002.

### **Bill Provides Needed Tax Relief to Investors.**

- This bill will provide some relief to the millions of investors that recently lost money in the stock market. The recouped losses can be reinvested into the market.

### **Bill Helps Millions of Taxpayers.**

- The stock market is no longer just for the wealthy. As of January 2002, 52.7 million families (49.5 percent of all families) and 84.3 million individuals owned stocks